

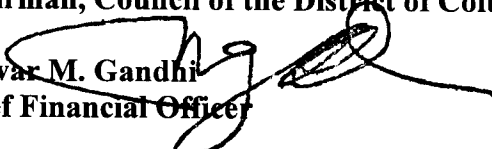
**Government of the District of Columbia  
Office of the Chief Financial Officer**



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** June 25, 2009

**SUBJECT:** Fiscal Impact Statement – “Veterans License Plates Establishment Act of 2009”

**REFERENCE:** Bill Number 18-235 – As Introduced

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**Conclusion**

Funds are sufficient in the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation. The proposed legislation would generate \$32,760 in FY 2010 and \$65,520 in the FY 2010 through FY 2013 financial plan period that would accrue to the District of Columbia Veterans Fund. Separately, the proposed legislation would impose implementation costs of \$5,785 in FY 2010 on the Department of Motor Vehicles (DMV), which could be absorbed within the agency budget. No additional implementation funds are required in future years.

**Background**

The proposed legislation would create veterans<sup>1</sup> license plates and a special fund for associated fees to generate a revenue stream for the Office of Veterans Affairs. The application fee for these plates (\$52) and the annual display fee (\$26) would be the same as existing specialty plate fees. The proposed District of Columbia Veterans Fund (Fund) would be created in the Treasury of the District of Columbia as a continuing and non-lapsing fund, separate and distinct from the

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<sup>1</sup> Veteran is defined as any person who has served on active duty in the armed forces of the United States. The term would also include members of the National Guard and Reserves, who are either called to active duty or have twenty or more years of service. The veteran must have been honorably discharged from the armed forces to receive the proposed plates, and a medical discharge or general discharge would be considered as an honorable discharge. Upon the death of the holder of any veteran plates, the plates would be transferred to the surviving spouse for the spouse's lifetime until he or she remarries.

General Fund, and available to the Director of the Office of Veterans Affairs to provide programs and services to the District's veterans.

### Financial Plan Impact

Funds are sufficient in the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation.

The proposed specialty plates for veterans are expected to generate \$32,760 in FY 2010 and approximately \$65,500 through the four year financial plan period. As drafted, the proposed legislation does allow for the payment of the costs of designing and manufacturing the license plates for veterans through the Fund proceeds. Manufacturing of a specialty plate costs an average of \$6.63 to the DMV, and there is a fixed computer programming cost of \$3,000 for a new type of specialty plate. Thus, the proposed legislation would require \$5,785 in implementation costs in FY 2010. This cost can be absorbed within DMV's budget. The table below summarizes the impact of this legislation on the budget and financial plan.

Estimated Fiscal Impact FY 2010 – FY 2013					
	FY 2010	FY 2011	FY 2012	FY 2013	4 Year Total
Revenues from total fee collection to the Fund <sup>(a)</sup>	\$32,760	\$10,920	\$10,920	\$10,920	\$65,520
Cost of manufacturing plates and programming <sup>(b)</sup>	\$5,785	-	-	-	\$5,785

<sup>(a)</sup>Based on the Census data, there are close to 45,000 civilian veterans living in District of Columbia, and a separate study reports that the car ownership rate among households in the District is 63 percent (Mayor's Parking Taskforce Report, December 2003). Extrapolating, this would represent 28,350 veterans with cars, and, assuming a 1.5 percent take up rate for the Veterans License Plates, there would be 420 applications and annual renewals. As a point of reference, in 2008, there were 859 new applications and renewals for specialty plates, with 302 for historical plates, the highest demand category.

<sup>(b)</sup>This represents a \$6.63 manufacturing cost per plate for 420 plates and a \$3,000 fixed cost for programming.